

TESTIMONY OF GINNY GOBLIRSCH
OREGON SEA GRANT AND THE WOMEN'S COALITION FOR PACIFIC
FISHERIES

SENATE COMMITTEE ON COMMERCE, SCIENCE AND
TRANSPORTATION FIELD HEARING ON THE DECLINE OF
THE WEST COAST GROUND FISH FISHERY

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Mr. Chairman, members of the Committee, my name is Ginny Goblirsch. I have been with Oregon Sea Grant for the past 24 years, serving as a marine Extension Agent for the past 14 years. I have lived and worked in Newport, Oregon that entire time. I am also a partner in our family fishing business. My husband is a long time Oregon commercial fisherman. My work with the fishing industry is in the area of outreach, training and education. I'm involved in many facets of the industry from gear, technology and management to family and community issues and safety. In recent years, much of my effort has been in the areas of fishing family and community issues, and fishing vessel safety. I am active in our community. I serve on the Newport Chamber of Commerce Board of Directors and the Oregon Coast Community College Small Business Development Center Board of Directors. I am currently the President of Newport Fishermen's Wives and serve on the board for the Women's Coalition for Pacific Fisheries, a coast-wide (West Coast), multi-gear fishing industry support organization.

I have been asked to address the potential short- and long-term solutions to aid fishing communities while the fishery recovers and to make comments on associated needs.

Background

Groundfish have been the backbone of our fishing industry for some 20 years. The economic consequences of the cuts in available harvest are being felt throughout our communities - from fishing vessels, fish plants, ports, support services and charterboats to the community at large. The change and uncertainty facing the entire fishing industry now is unprecedented and will likely be even more traumatic than the salmon crisis.

The groundfish quota cutbacks over the last several years have resulted in families and businesses using up their savings, deferring maintenance on vessels (and at home), delaying payment of bills and taxes and otherwise trying to just hold on.

Some of these families / businesses have no reserves left. This means that the changes now occurring in the industry are even more difficult to absorb, causing a great deal of family stress. These situations tear families apart.

No amount of aid will take the place of a business, a lifestyle and a livelihood that has defined and supported our coastal communities since the coast was first settled. The transition now occurring is and will be very hard on many families. These families and businesses operate without the traditional safety nets that benefit most workers in our society- - worker's compensation, retirement, minimum wage, health care benefits, and, most recently, unemployment.

The degree to which families and businesses depend on income from the groundfish fishery will directly impact their ability to transition through this period successfully. Those who will suffer the most immediate and direct impacts are family fishing businesses and fish processing plant workers where the majority of their work is connected to the groundfish fishery.

Unfortunately, this situation is reminiscent of what happened to the farm families impacted by the farm crisis in the Midwest in the 1980's. Obviously, financial problems were enormously difficult for these families and many delayed taking action and making decisions-- about staying in or leaving their industry-- until all their options had run out and they had no choice. Farmers felt humiliated. They had lost control of their lives and their ability to make decisions. They were strong willed, independent people, much like fishermen. They felt self-condemnation for their inability to take charge of their lives. Family and financial advisors, familiar with the industry, would have been very helpful for these families. Many families were too close to their own problems to be able to make good decisions early on. We believe we can and should learn from these farm families, the Government's response, and take some innovative approaches.

We did just that in 1994 when Oregon Sea Grant provided funding for a unique peer outreach project called the Fishing Families Project (Project). We thought of the Project as "support centers without walls." The Project worked directly with fishing families in Oregon's port communities to provide practical information on ways to deal with the economic, personal and social stresses that are a part of the "normal, cyclical nature" of the commercial fishing industry. An important component of this project was the Fishing Family Coordinators. They were fishing family members who lived in coastal ports and, together with Oregon Sea Grant personnel, were able to identify and direct Project activities that directly addressed needs and interests of fishing families. These needs included budgeting in a cyclic industry; debt consolidation/taxes; diversification/business management; fishing marriage/absentee partner; coping skills/stress/anger management; grants/direct aid; health insurance and communication skills.

The Project also worked directly with community resource providers and agencies to enhance their understanding of the fishing community, needs of fishing families, and focused attention on the barriers fishing families encountered when attempting to obtain existing services. Concurrently, the Project brought information to fishing industry families about existing resources available in their communities to help with their business and family needs. The Project also conducted research on the importance of fishing community networks and provided fishing business and family members with training in forming or strengthening effective support networks.

Community-Driven, Short-Term Solutions

The success of the Project's outreach model led to discussions in 1998 with State-level community resource providers about how to incorporate this peer outreach methodology into fishery-related disaster relief plans. A team of state and local partners worked collaboratively for a year to create a possible approach. With the support of the team, the Community Services Consortium in Newport initiated a small pilot program in January 1999 where an "Outreach Peer" would reach out to those in the industry who were ready to transition out of the industry due to the ever-increasing groundfish cutbacks. Due to this pilot's success, by fall of 1999, we finalized a coast-wide pilot program in response to the anticipated West Coast groundfish disaster. Beginning in the spring of 2000, the "Groundfish Disaster Outreach Program" (GDOP) connected existing training resources and community programs to those impacted by the groundfish crisis. The GDOP is administered by the Oregon Sea Grant Extension Program with funding support from the Oregon Economic and Community Development Department, Oregon Dept. of Community Colleges and Workforce Development (WIA), and Oregon Sea Grant Extension. An Advisory Committee, with members from State and local Workforce Investment Act (WIA) service delivery areas, Oregon Economic and Community Development, Oregon Employment Department (OED), Oregon Sea Grant Extension and the GDOP Program Coordinator, provides guidance to the GDOP. The GDOP has been operating successfully now for 8 months.

Industry members who find they either want to or have to transition out of the groundfish fishing industry—and want help in making the transition—can turn to the GDOP for that assistance. The purpose of the GDOP is to create, deliver and evaluate a peer outreach program that assists people in accessing support, resources and training and assists community resource providers in effective outreach through improved communication to this population who are in need of support.

In May 2000, the Governor of the State of Oregon convened a meeting of State agency heads as well as community and industry leaders. The purpose of this meeting was to brief agencies on the groundfish crisis; to assess the crisis and make recommendations as to how each state agency can best participate in the GDOP through directing their services to help those needing assistance; and to

identify barriers to services. The GDOP hosted follow-up port meetings with local service providers to brief them on the crisis, address industry barriers to services and identify how to link support services that they provide with the GDOP and the fishing community.

The GDOP has a coast-wide (Oregon) Coordinator. The Coordinator is a fisherman's wife and family business partner. She works with people in groundfish fishing businesses who *want to transition into the future industry as well as with those who want to transition out of the industry.*

There are Six GDOP Outreach Peers who are closely associated with the fishing industry and in the process of transitioning out of the industry themselves. Each Outreach Peer works part-time in one of seven regions along the coast informing and mentoring people in groundfish fishing businesses who want to transition out of the industry. They provide information about community support options for those wishing to remain in the commercial fishing industry of the future.

The Outreach Peers mentor fishermen, fishermen's wives, processing plant workers, and others directly associated with the groundfish industry that want to leave the industry. The concept is to direct them to the assistance they need, and is available, be it personal or family support, re-employment counseling, or job retraining (as administered through WIA). In the short time period the GDOP has been operating, over 100 fishing family business members have been directly contacted, 58 have been referred to agencies/resources and 29 are now enrolled in services.

This is a community-driven program that seeks to connect services to a new audience for many of the community support agencies. We strive to get the most out of existing services and to see to it that these services meet, as much as possible, the needs of the fishing industry. The services available are not always adequate or delivered equally coast-wide. We are making progress in addressing the many barriers that have excluded the fishing industry from these services in the past.

However, **THE major barrier** to fishermen, and others in the fishing community who are interested in transitioning out of the industry via job retraining is the lack of income during training. Because most are considered self-employed, few fishermen/wives are covered by state unemployment and there exist no other sources of income for them while in training. Because of this unfortunate situation, the State of Oregon submitted a Spending Plan for FY 2000 Emergency Appropriations for Oregon's share of the \$5 million specifically earmarked for community assistance. To date, we have had no response from NMFS regarding when the funds will be released. The spending plan establishes a transition income (TI) fund for individuals to use to cover living expenses while transitioning out of the

industry. TI will only be available for applicants who have developed an approved re-employment or retraining plan for their future in non-fishery related employment.

Target Audience for Transition Income

It is challenging to accurately determine the number of people who might seek or need services because of the unusual rolling nature of this crisis and the various mechanisms people might or might not have to cope. This is not a plant closure where a set number of people know they will be unemployed on a given date.

We do have data on the numbers of commercial fishing vessels in the State of Oregon having permits for groundfish or participating in the open access fishery. We also have data on other permits those vessels/owners have which can, in some cases, help to mitigate the impact of the crisis. We estimate that 108 commercial fishing vessels/businesses are at high risk of bankruptcy (permits limited to groundfish only) and another 79 vessels/businesses are at moderate risk (depending on their success in other fisheries). This represents 40% of the groundfish fleet in the State of Oregon and an estimated 400 people. Since not all will seek or need services but others in the industry will, our best *guess* at this time is that the GDOP needs to be responsive to the needs of 400 Oregon applicants. The numbers could go much higher if fish plant closures occur. The numbers could go lower if conditions permit success in other fisheries in which some of these businesses might also be involved.

Our target audience for transition income in FY 2001 is 220 (roughly half of the 400 applicants that have no access to other income / assistance). We are estimating that 35% of these applicants will be single; 65% will have families.

We expect that once the funds finally do arrive in Oregon, they will very quickly be dispersed. The Oregon Employment Department has agreed to disburse the funds directly to fishermen and other groundfish workers with no agency overhead taken out. That means ALL funds go directly to help industry individuals.

Long-Term Needs and Solutions

As we look to community assistance needs for FY 01/02, we expect that tripling Oregon's community assistance amount for TI assistance to industry individuals displaced by the groundfish crisis is needed. We would respectfully request \$6 million dollars to help support the GDOP and directly aid industry individuals who must/want to transition out of the fishing industry.

The Pacific Fishery Management Council released a draft of its Strategic Plan for Groundfish in July of 2000. That plan calls for reducing the overall number of commercial groundfish vessels by at least 50%. The ability to continue to connect

displaced fishery workers with community support services via the GDOP will be absolutely critical.

In anticipation of the West Coast groundfish disaster declaration, a three-state committee was formed to recommend industry and community needs. This committee met throughout 1999 with leadership provided by Oregon Coastal Zone Management Association. The recommendations of this committee covered three major areas: 1) family and community assistance, 2) research, and 3) fleet restructuring. These three areas are interlinked and all are needed for the smoothest possible transition to the future of our industry.

A good plan and funding for **fleet restructuring**/downsizing is an important component of providing a path for a smooth transition to the future of our industry. This would tie directly into the GDOP by providing assistance to those who find themselves part of the group either forced out or who willingly choose to leave the industry. Knowing that such a plan is in place would be very helpful to fishing families and businesses planning for their futures. As was illustrated with the farm crisis, people need good information with which to plan their futures or they are left to hang on, possibly until they have no resources left. This leaves people feeling like failures and bankrupt. This also places added pressures on already struggling community support programs. The ability of people to make good decisions early on about the course of their future is imperative for a smoother transition and is beneficial to local communities.

Family and community assistance would derive huge benefits from **collaborative research**. Not only is this a way to get the data that is critical to proper management of the groundfish industry, it also employs fishermen and their vessels. An expanded research program could potentially tie in with the GDOP with training opportunities leveraged by the GDOP to utilize *existing Department of Labor training funds* to obtain master's/mates licenses, small business development training and other necessary facets of transitioning a strictly commercial fishing business into one which continues to commercially fish but also is hired for research and charter projects. A program like this is getting underway on the East Coast and should be considered for the West Coast.

In many of Oregon's coastal communities, access to personal, family, and financial **counseling** is limited. And, where it does exist, people are still unable to take advantage of it because of the high cost of such services. During an industry downturn such as this, stress on families becomes intense. Without access to good family counseling, the potential for family breakups and worse increases. During the salmon crisis in 1994, the only access to family counseling here in Newport was by dialing 911 to get into the county emergency mental health system. We'd prefer to offer counseling long before a 911 situation arises. Lessons learned from the

farm and salmon crisis illustrate the importance of access to good family and financial counseling.

Because the industry has not had the benefit of group **health insurance**, many families cannot afford private counseling. They either do without any health care insurance or are inadequately covered.

Recent research by Oregon Sea Grant indicates that 31% of fishing families are uninsured (this is almost three times the State average). And, although Oregon is fortunate to have the Oregon Health Plan and FIHAP, many fishing families do not qualify. For those who are insured, most have only major medical.

Over the years, several industry organizations have attempted to put together and administer a group plan for at least a portion of the industry. The latest effort was by the Women's Coalition for Pacific Fisheries (WCPF). WCPF spent almost 4 years in data gathering, planning and coordination for a group health plan for the entire West Coast fishing industry. This plan was unveiled in the fall of 2000 and was carried by the only major carrier capable of administering such a plan on the West Coast – Regence Blue Cross Blue Shield. However, Blue Cross notified WCPF that they were pulling out of the health plan the Friday before Christmas. The official reason given was that we did not have enough people enrolled in the plan to continue but there was much more to it than that. WCPF learned a lot about the business of health care, turf battles between various Blue Cross providers, competing costs of various plans, and health care politics. There is much more to this than can be provided here but I encourage you, Senator Wyden, to continue your effort to address the need for affordable health care for all citizens of the United States. Had the WCPF plan been successful, two of the needs of industry would have been covered – health care and counseling. This is something industry tried to do for itself, did not ask for federal funding or assistance and ran right into insurmountable barriers. WCPF would be pleased to provide any and all information we can about this case to you.

The farm crisis, the timber crisis and now the fisheries crisis have all shown that with appropriate support, people can successfully transition to the future.

Thank you.

